



**Public Oversight Hearing on Fiscal Year 2003 Spending and
The Status of Fiscal Year 2004 Spending and Program Implementation
February 27, 2004**

Good morning, Madam Chairperson, members of the Council, and staff. I am Leslie Hotaling, Director of the DC Department of Public Works (DPW).

With me today are members of my senior staff, Tom Henderson, Solid Waste Management Administrator; Teri Adams, Parking Services Administrator; Ron Flowers, Fleet Management Administrator; James Roberts, Administrator, Office of Administrative Services; and Michael Belak, Chief Information Officer; as well as Pamela Graham our Associate Chief Financial Officer for Government Services.

Today, we are pleased to share with you, on behalf of the Administration, an overview of DPW's activities during FY 2003 and our progress so far this year. Afterward, we will be happy to respond to your questions.

DPW Organization And Mission

For the record, the Department of Public Works is an agency of 1,267 employees responsible for keeping the City of Washington, our nation's capital, clean. DPW is comprised of three major operational units dedicated to providing the basic municipal services that contribute to and enhance the quality of life in the District. These units are the Solid Waste Management Administration, the Parking Services Administration, and the Fleet Management Administration.

These administrations are supported in their daily work by a team focused on agency leadership and management, including the Office of the Director, the Human Capital Administration, the Offices of Information and Technology Services, Administrative Services and the Chief Financial Officer.

Together, we are working to keep our neighborhoods and thoroughfares clean, safe and attractive through reliable scheduled services, including trash, recycling and bulk materials collection; strategically deployed street and alley cleaning resources; environmentally sound solid waste disposal; neighborhood-based sanitation education and enforcement; consistent parking enforcement, and forward-thinking fleet management programs. We are happy to count this Committee among our partners and supporters.

FY 2003 was a year of "building," as they say in professional sports. In the 2003 budget, Council gave us the funding to make whole the critical operations that were struggling, and I would like to publicly thank you, Councilmember Schwartz for your leadership in this arena. We appreciate your vote of confidence and we pushed hard to get every drop of productivity from that funding. Let me tell you how we did.

SOLID WASTE MANAGEMENT ADMINISTRATION (SWMA)

I will start with Residential Trash Collection, the largest and most visible of our environmental services.

Each year, DPW trash crews collect approximately 128,000 tons of trash from over 110,000 homes, making 137,500 service stops. Additionally, we pick up over 5,000 tons of bulk trash by appointment.

In 2003, our trash collection crews maintained a same-day, service-delivery rate of 99 percent, except during the most severe winter storms last January and February.

Our bulk collection program is one of our best. Appointments are now scheduled within 5 days of the request, and 99 percent of the time, we're there on the scheduled appointment date. And if we can't make it, we'll call you to reschedule. We won't leave you hanging.

And, with the help of our IT group, we developed a new system for plotting and routing the daily assignments for bulk trash collections. Gone are the days when the foreman gave drivers a stack of paper work orders, leaving the drivers to figure out how to juggle the requests and best navigate the city to get the job done.

Today, drivers are given an assignment sheet of the day's collections along with a map, already plotted, to show them the most efficient route to each appointment

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We have been able to increase the number of service stops on each route by over 15 percent and the number of items residents can put out by nearly 40 percent.

Best of all, our employees love the new system - they really see the benefit of using technology to help them do their job more effectively.

Recycling collection is our next highest-profile service – for all the wrong reasons.

Residents receiving DPW trash collection services should also receive recycling collection service, provided under contract. Unfortunately, and I am the first to admit, service from our recycling contractor remained maddeningly inconsistent in FY 2003. Last year, we investigated 5,771 complaints and assessed over \$62,000 in missed collection fines.

As our existing five-year recycling contract came to a close last year, we began searching for options that would improve service and stem the tide of complaints. We knew we had a problem.

As I'm sure you are aware, it had been our original intent to bring the recycling program in-house in 2003 following the expiration of our contract with Waste Management, Inc. and its two LSDBE subcontracted firms. Unfortunately, other pressing budget priorities overtook this plan and DPW was forced to put off until 2005 any thought of taking the service back in-house.

After extended negotiations with Waste Management, and in close consultation with this Council, we have crafted a new, interim contract that will provide recycling services until DPW can take over that operation next spring.

In the meantime, we have incorporated strong remedies to address the problems we were experiencing under the terms of the old contract. These remedies are

designed to increase the contractor's accountability and make it extremely costly for them not to perform.

These added provisions, plus the fact that our residents demand that recyclables be collected at the same point of collection as their trash, means added costs.

However, when comparing collection costs to surrounding jurisdictions, ours are still a bit lower than Montgomery County, which has an equal amount of controls in its contracts.

However, there are better days ahead, as demonstrated by our In-House Pilot Program.

Last summer, DPW launched a small pilot recycling program in Ward 7 with the help of our very successful Labor/Management Partnership. The aim was to gain experience that we could apply to the in-house recycling program we plan to implement next year.

In designing our in-house program, DPW's Solid Waste Management Administration and its Labor Management Partner, the American Federation of State, County and Municipal Employees, AFSCME, Local 2091, spent a year studying the current recycling collection system, as well as several best practice alternatives. I want to pause for a moment to recognize James Ivey, President of Local 2091. His energy and insight were invaluable during this planning process.

Central to the proposed citywide program is the new 32-gallon BLUE recycling cart that replaces the old bins. Like miniature Supercans, the carts have wheels

and lids to make storage and carrying easier for our residents. The pilot is also introducing residents to “Single Sort” recycling, which means that all recyclables will go into the same container. Customers no longer have to keep paper and other recyclables separated, nor will they have to lift heavy bins. The materials will be taken to a Materials Recovery Facility (MRF) for processing and marketing.

Over the course of the pilot program, DPW has been gathering operational data including the number of setouts and the pounds of material recycled.

Now, after eight months, we are enormously encouraged by the response we’ve seen. During the base period before the pilot began, an average of only 17 percent of the residents were setting out recyclables for collection, and the average amount set out per customer was 1½ pounds. Since the pilot began on June 4th, 2003, participation has increased to 46 percent and the amount set out per customer has increased to approximately six pounds. Consistent, reliable services go a long way toward encouraging resident buy-in and participation.

The pilot area has recently been doubled from 586 households to a total of 1180 households – two full trash routes. We are seeing the same rise in participation and diversion as we witnessed in the original area. These results prove to us that when DPW is fully funded to do this work ourselves, we will see some dramatic increases in the amount of material diverted from the waste stream. This is our ultimate goal.

Full implementation in the remainder of the city is tentatively scheduled for the first half of FY 2005, subject to budget authorization. We are very excited about the prospect of owning this program.

Now, I'd like to tell you about our work to expand Recycling in the Commercial sector.

In FY 2003, DPW established a baseline for commercial recycling in the District. Registered recycling haulers reported nearly 170,000 tons, or a 28 percent diversion rate. We plan to increase this baseline by 15 percent in FY 2004 through both improved reporting and increased education to the business community.

In the last two years, our recycling inspectors have performed more than 3,000 on-site inspections, offering technical assistance and guidance to help them comply with the District's recycling law. The inspectors work with the business owners to help them institute cost-effective collection programs.

In 2003, inspectors from the Office of Recycling met with 268 commercial groups and reviewed 656 recycling plans. Nearly 600 have been approved, so far.

Until recently, most of our efforts have been focused on educating the business community about the benefits of recycling. However, since August of 2003, our inspectors have begun enforcement, issuing 216 warnings and 41 notices of violation for repeated failure to comply with municipal recycling requirements.

We must continue our work here to reach further into the commercial sector to ensure full recycling participation in the District of Columbia.

Next, I want to mention Street & Alley Cleaning, one of this agency's largest responsibilities.

During the day, our Street and Alley Cleaning Division is sweeping residential neighborhoods, as well as high visibility commercial areas like Mt. Pleasant and Adams Morgan, Capitol Hill, Martin Luther King, Jr. Avenue and Benning Road. They are also at work, scrubbing graffiti, pulling down posters and abating abandoned properties. At night, we collect trash from the city's 4000 litter cans and we sweep the downtown core and certain gateway streets that cannot be effectively cleaned during the day.

The large commuter thoroughfares within the city limits that are part of the Interstate Highway System are cleaned under a contract administered by the District Department of Transportation in partnership with the Federal Highway Administration.

Since we are discussing cleanliness, I want to say a couple of words about the Clean City Ratings and the Office of the Clean City Coordinator

As this committee is aware, DPW relies on the quarterly Cleanliness Ratings conducted by the Office of the Clean City Coordinator and its volunteer staff. The ratings provide key data that helps us deploy our citywide resources more effectively. At present, the Clean City Coordinator position is vacant. As a result, there have been no Cleanliness Ratings for the past two quarters. We are working closely with Deputy Mayor Tillery to redefine and refocus this Office and hire the best person for the job.

Another workhorse is our SWEEP division.

The Solid Waste Education and Enforcement Program, or SWEEP, is an invaluable member of our environmental services team. SWEEP works to educate District residents and businesses about their responsibilities regarding proper trash and sanitation procedures. The primary function of the SWEEP inspector is to change the behavior of those who have not yet learned to do their part in keeping the District clean.

For those who still haven't gotten the message, SWEEP also issues tickets – over 8,300 in FY 03 – for violations such as illegal dumping, trash left out on the wrong day, rat harborage, or a business owner's failure to keep his sidewalks and dumpster areas clean. Those tickets had a value of \$924,979.

SWEEP is also a major player in neighborhood problem solving. Working closely with the Metropolitan Police Department's (MPD) *Operation Fight Back* and the Neighborhood Services Initiative, SWEEP inspectors are an integral part of the eight, ward-based Neighborhood Services Core Teams. Each team works collaboratively to identify persistent problem areas, or hotspots, and develop cross-agency work plans to restore quality of life in blighted, high-crime areas.

SWEEP inspectors also comprise one half of the Environmental Crimes Unit (ECU), a partnership between DPW and the police department, created to investigate illegal dumping and to bring to justice the criminals involved in trashing our city. In FY 2003, the ECU made 53 arrests, resulting in 111 Notices of Violation and fines totaling \$108,872.

I want to also acknowledge the yeoman's job done by our Nuisance Abatement Team. This operation complements the work of the SWEEP

inspectors by cleaning nuisance vacant lots and other problem properties that have been cited, and which the owners have chosen to ignore. In FY 2003, this operation cleared over 335 properties, cleaned 408 graffiti sites and removed 25,000 illegal posters. Additionally, this small but motivated team dropped everything to fill and distribute sandbags during Hurricane Isabel and to plow snow during last winter's blizzards.

A sometimes-overlooked area of our operations is disposal. DPW operates two aging waste transfer stations. At 30-something years old, they both needed work and are currently undergoing capital renovations. In FY 2003, interim repairs and improvements at the Fort Totten Transfer Station were completed, as was demolition of the abandoned incineration stacks at the Benning Road Waste Transfer Station.

We replaced the old weigh scale system for the two waste transfer stations. In addition to providing more accurate vehicle weights (and thus, improved reporting), this system will eventually be integrated with SWMA's work management system to track dump times and tonnage of our collection fleet.

In FY 2004, major reconstruction will begin on the Benning Road Site and Phase 2 of the Fort Totten renovation is expected to start.

PARKING SERVICES ADMINISTRATION

Let's move on from environmental services to Parking Services. The Department of Public Works provides on-street parking enforcement to improve traffic flow and public safety, and to maintain access to curbside spaces by encouraging turnover of short-term public parking – whether at metered spaces or on residential streets. These goals are achieved by encouraging compliance with the District's parking regulations and taking enforcement actions – ticketing, booting and towing – as necessary.

I would like to discuss a couple of parking issues and programs that I know will interest you, beginning with Staffing. This Council authorized funding to hire an additional 138 parking officers in FY 2002. We now have 176 parking officers, or 76 percent, of our authorized positions filled. As we all know, these are high turnover positions, so our recruiting efforts are ongoing.

Over the course of the last few months, we seriously considered this Committee's suggestion that we refocus our enforcement resources to better cover our residential areas. We are developing a plan to maximize the deployment of parking officers in the areas of greatest demand, while ensuring the balance of public safety and smooth traffic flow.

I am happy to report that Centralized Towing is a reality – We are now the AAA of towing services for the District of Columbia. In July, Parking Services implemented the DPW Towing Control Center, a 24 hours and day, 7 days a week, operation which dispatches and tracks public tows across the District.

This operation is a key component of the new towing regulations passed by Council with your support in March of 2003. Since its inception, over 27,000

public tows have been performed, averaging 150 each weekday, and over 50 each weekend day. Rush hour relocations comprise 41 percent of the towing, with accidents, recovered stolen, and booted vehicles averaging 12 to 14 percent each. The remainder is comprised of abandoned and public safety tows, traffic impounds and tows for police safekeeping.

The Centralized Towing Program was designed to address and prevent vehicles from becoming “lost” as a result of being towed. A new automated system was developed to track towed vehicles and the towing data is made available in almost real-time to the DMV and Citywide Calls Centers. A new web page was also implemented to allow owners to find their vehicles by license or VIN, accessible on the dc.gov web site.

Additionally, letters are being mailed within 3 days of impoundment to vehicle owners when the vehicle was towed due to involvement in an accident or was recovered by MPD after being reported stolen.

I’m sure you all remember our friend, ROSA, the Registration of Out-of-State Automobiles program. On January 15, 2003, 16 parking officers began surveillance patrols in the middle of the night aided by the new mobile digital computer technology installed in their vehicles.

The ROSA program is intended to find individuals living in the District who have not yet registered their vehicles, cite them, and compel them to comply with the law. Since the ROSA teams hit the streets, they have issued 25,318 warning notices and 12,304 tickets.

Initially, there *were* problems to overcome. An unintended consequence of the program was the repeated ticketing of residents from other states who were simply frequent overnight visitors to the District.

With the help of this Committee and the cooperation of DMV Director, Anne Witt, we put systems in place that dramatically reduced the numbers of vehicles improperly cited for overnight parking.

Parking Services is also responsible for those vehicles that have overstayed their welcome on our city's streets – Abandoned Vehicles. For the past 14 years, the abandoned and junk vehicle division has been charged with monitoring and removing abandoned, derelict and dangerous vehicles from city streets. The division is also responsible for the ultimate disposal of these vehicles, whether they are burned-out hulks or late-model SUVs.

For the past several years, this program has deteriorated, just as the problem of abandoned vehicles has grown worse nationwide. In 2003, however, we have seen dramatic improvements in this program, thanks in part to the legislation passed by this committee. We now remove reported abandoned vehicles within 13 business days, 63 percent of the time, up from 35 percent in FY 2002.

Through a combination of our own internal efforts and the legislative support from this Committee, we are implementing a plan to continue fighting the onslaught of abandoned and junk vehicles. We project that we will be able to continue these efforts and improve our performance even more by the end of FY 2004.

In 2003, we auctioned 14,500 vehicles and sold over 5,000 to a scrap contractor. An additional 359 were released to their owners or lien holder. Improvements in our business processes have increased average auction revenue from \$38,000 per auction in FY 2003 to approximately \$70,000 per auction this year.

FLEET MANAGEMENT ADMINISTRATION

Now I'd like to turn your attention from vehicles that don't move to vehicles that are constantly in motion. The Fleet Management Administration gets us where we need to go – day in and day out – by procuring and maintaining the hundreds of District vehicles we need to move people and cars, sweep streets, plow snow, and collect trash. And the best part is, we're working to help the environment at the same time by investing in vehicles that run on cleaner fuels.

Alternative Fuel Programs

As many of you know, DC is ranked among the largest alternative-fuel powered fleets in the region with 261 alternative fuel vehicles, representing 10 percent of vehicles maintained. We are one of the few jurisdictions on the East coast to have compressed natural gas trash compactors...and we have two of them, currently used in DPW's recycling pilot program.

Further, we have exceeded the federal alternative fuel, light vehicles purchasing goal by 9 percent during the 2003 model year period. In other words, 84 percent of the light vehicles purchased by the Fleet Management Administration last year are powered by alternative fuels.

We are very excited to announce that Fleet won a \$65,000 grant to construct an ethanol (E85) fueling station, and we will pursue a second DOE grant in FY 2004. The first shipment of ethanol fuel (7,750 gallons worth) was recently delivered to our West Virginia Avenue fuel station, and system testing is underway. Currently, we have over 100 vehicles that can run on ethanol and we are exploring acquisition of ethanol minivans and subcompacts.

Administrative Services and Technology

Madam chair, you will be pleased to note that Fleet took another step to decrease the environmental impact of its operations by conducting an on-line fleet utilization survey of 3,000 light vehicles, and seized opportunities to down-size the light-vehicle fleet, including SUVs. We also increased the size of the motor pool, reducing the number of single-driver sedans.

Maintenance Services Operations

Our Fleet team has continued to increase operational efficiency through the intelligent adoption of new technology, including one of the District Government's first interactive Intranet websites. This pass code-protected, internal website enables our customers to look up their Preventative Maintenance (PM) schedules for their agency vehicles. Individuals may also check the status of equipment in the shop for repair.

Through partnership with our customer agencies, we have been able to improve fleet availability across all city agencies. Mission critical equipment availability averaged 96 percent in FY 2003 with availability of snow equipment topping 99 percent in FY 03 and 04.

Now, I'd like to give you a behind the scenes look at DPW's Support Services.

Behind every successful program is a legion of professionals working to ensure that our field operations have the daily tools they need to do their jobs **well**. These tools include just-in-time procurements, facility management and upgrades, employee hiring, development and training, risk management, community and labor outreach and state-of-the-art information technology.

ADMINISTRATIVE SERVICES

Without efficient, timely **procurement** of goods and services, DPW would not have fuel for its trash packers, brushes for its sweepers, or Supercans for residents. We wouldn't have routine service contracts for our copiers, uniforms for our sanitation workers or special supplies during emergencies.

In FY 2003, **DPW's Office of Administrative Services** purchased approximately \$5.7 million worth of vehicles and equipment. Acquisitions under \$100,000 were completed, on average, within 14 days of receipt of the request. Additionally, 825 original purchase orders were processed totaling \$26.7 million and 41 contracts were awarded totaling \$18.8 million, inclusive of vehicles.

Due to the sheer volume of purchases we make over the course of a year, DPW was among the first agencies to implement the District's new Procurement Automated Support System (PASS).

DPW now has the ability to make customer-friendly electronic purchases via the Internet. The new system has simplified standardized procedures; specifically the key functions of the procurement cycle—requisition, tracking and vendor

payments. The results have been faster, easier procurement, improved relationships with suppliers, and just-in-time delivery.

In addition to purchasing equipment, we also hire contractors to carry out some of our functions. DPW lives in the District and we understand our responsibility to local businesses and contractors. During my tenure as Director, DPW has reserved 50 percent of the annual local discretionary budget for Local, Small, Disadvantaged Business Enterprises (LSDBEs), as required by law. Since 1998, we have met or exceeded that target.

However, I regret to report that in FY 2003, while we came very close, we did not meet our annual goal. The annual LSDBE set-aside target was \$14.5 million. The amount of local discretionary funds awarded to LSDBE vendors was \$13.8 million, which is 93.3 percent of our targeted set-aside amount.

Unfortunately, in FY 2003, DPW anticipated awarding a \$6 million contract for solid waste hauling to an LSDBE vendor. However, we were unable to award the contract prior to the end of the fiscal year.

Office of Information Technology Services

One of the revelations of my career has been the powerful effect of technology on operations. Our Information Technology team has taken DPW into the 21st century. Gone are the days when our IT focus was on the wires in the ceiling. Today, our IT team is working to develop business applications to support our daily service delivery programs.

As I mentioned throughout my testimony, we have incorporated technology into many of our operations. Our bulk collection program now has automated routing, and we are looking to expand this technology into our other operations.

As I also mentioned, we have automated much of our fleet services program; our new Centralized Towing Program is also online, and our website and intranet sites are alive and well.

And, with the additional funding provided in our FY 2004 technical adjustment, our IT team will now be able to turn its attention toward a lot management system for Blue Plains Storage and Auction Facility, replacing the failing, 13-year old computer system.

Besides the new systems that we have implemented in each of our program areas, we continue to make meaningful strides toward improving our internal operational effectiveness. In FY 2003, we implemented a telecommunications management program to manage costs for all local, long distance and cellular telephone usage within DPW. The benefit of this program was immediately evident as DPW's costs for these services were reduced by over \$350,000 annually.

HUMAN CAPITAL MANAGEMENT

High-tech is fine for some, but I also believe in high-touch. Our employees are our most valuable assets and we are committed to treating them as such. **We have recently created a new position and hired our first Human Capital Administrator** to bring together, under one umbrella, the various activities in DPW that focus on and support our employees. This will help to ensure seamless

service to our employees so that, for example, new employees are timely scheduled for required training; that MSS employee performance plans are effectively aligned with evaluations and incentives, and that our labor management partnerships blossom as we all work together to improve working conditions, communications channels, and employee satisfaction.

The organization of the HC Administration will go a long way toward elevating the morale of the our workforce and assisting our employees in working to their fullest potential – which can only mean improved performance and better customer service to District residents.

CLOSE

Henry Thoreau said, “In the long run, people hit only what they aim at. Therefore they had better aim at something high.” Every day, we aim a little higher. We all must adapt to change, working in new ways and moving toward an ever-higher level of performance – because that’s what our residents expect from their government.

In the past year, we have made the kind of progress that I only dreamed of ten years ago. Success doesn’t happen by accident, and it is a tribute to the hard working folks at DPW. I still can’t believe that I get to sit in the Director’s chair now that all the pieces are finally coming together.

Let me also say that I am so very proud of the employees of DPW. It has truly been an honor, a privilege and a pleasure to lead this organization over the last 3 ½ years. To the employees of the Department of Public Works, who have truly

stepped up their efforts to ensure excellent service delivery, I say Thank You. I am proud to be the captain of your team.

Success rarely happens without help. And, I would be remiss if I didn't acknowledge the pivotal role played by this Committee in achieving this success. Working together, we have made progress. Working together, we will continue to do so. Thank you for your time. We will be happy to answer any questions you may have for us.